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COMMISSION ON TRANSNATIONAL CORPORATIONS
Seventeenth session
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Agenda items 3, 4, 5, 6, 10, 11 and 12

RECENT DEVELOPMENTS RELATED TO TRANSNATIONAL CORPORATIONS AND INTERNATIONAL ECONOMIC RELATIONS

TRANSNATIONAL CORPORATIONS AND ISSUES RELATING TO THE ENVIRONMENT, INCLUDING THE CONTRIBUTION OF THE COMMISSION AND THE UNITED NATIONS CENTRE ON TRANSNATIONAL CORPORATIONS TO THE WORK OF THE PREPARATORY COMMITTEE FOR THE UNITED NATIONS CONFERENCE ON ENVIRONMENT AND DEVELOPMENT

ROLE OF TRANSNATIONAL CORPORATIONS IN SERVICES, INCLUDING TRANSNATIONAL BANKS

ONGOING AND FUTURE RESEARCH

STRENGTHENING THE NEGOTIATING CAPACITY OF DEVELOPING COUNTRIES IN THEIR DEALINGS WITH TRANSNATIONAL CORPORATIONS

COMPREHENSIVE INFORMATION SYSTEMS

ACTIVITIES OF THE UNITED NATIONS CENTRE ON TRANSNATIONAL CORPORATIONS

Ghana*: draft resolution

The Commission on Transnational Corporations recommends to the Economic and Social Council the adoption of the following draft resolution:

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* On behalf of the States Members of the United Nations that are members of the Group of 77.

Recommendations of the Commission on Transnational Corporations at its seventeenth session and its contribution to the preparatory process of the United Nations Conference on Environment and Development

The Economic and Social Council,

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1. Takes note with appreciation of the reports of the Secretary-General on recent developments related to transnational corporations and international economic relations, 1/ the role of transnational corporations in services, including transnational banks, 2/ ongoing and future research, 3/ strengthening the negotiating capacity of developing countries in their dealings with transnational corporations, 4/ comprehensive information systems, 5/ and the activities of the United Nations Centre on Transnational Corporations; 6/

2. Requests the Secretary General to prepare a comprehensive annual report analysing the latest trends in foreign direct investments and their impact on developing countries, which would include, inter alia:

(a) Ways of helping developing countries to attract and benefit from foreign direct investments for their growth and development;

(b) Assessment of the role of transnational corporations in regional and subregional integration processes among developing countries;

(c) The contribution of transnational corporations in complementing domestic investment in developing countries, particularly in the least developed countries, with a view to the eradication of poverty, employment generation, human resources development, infrastructure building and, in general, enhancement of the quality of lives of people;

(d) Recent trends in transnational corporation activities in relation to international trade, technology sharing with developing countries, and financial flows, particularly in the solution of external debt problems;

1/ E/C.10/1991/2.

2/ E/C.10/1991/4, E/C.10/1991/5 and E/C.10/1991/6.

3/ E/C.10/1991/7

4/ E/C.10/1991/13.

5/ E/C.10/1991/14.

6/ E/C.10/1991/15.

(e) Recommendations to encourage developed countries to adopt policies that may give incentives for transnational corporations to invest in developing countries;

(f) The role of transnational corporations in services;

(g) The general impact on availability of resources for developing countries of current flows of foreign direct investment towards the economies of Eastern Europe, in the short and medium terms;

3. Requests the Secretary-General to prepare an in-depth report on the efforts of the home countries of transnational banks, in formulating and implementing policies, regulations and measures, to facilitate the reduction of external debt and service of developing countries, taking into account the various proposals made by developing and developed countries with a view to finding a durable solution to the debt problem;

4. Requests the United Nations Centre on Transnational Corporations to include in its technical cooperation activities, the promotion of interregional, intraregional and subregional economic integration, including the possibilities and potentialities of strengthening cooperation among developing countries through the transfer of technology developed by the national corporations from those countries;

5. Stresses the importance of ensuring that the technical cooperation activities of the United Nations Centre on Transnational Corporations will benefit developing countries on an equal basis, and requests it to continue its efforts to develop its programme of support for cooperative activities of small and medium-sized enterprises in developing countries, as well as programmes for training and advisory projects directed to enhancing the capacities of developing countries to protect their interests and properly benefit from the activities of transnational corporations and joint venture schemes; and it further requests an evaluation report on this subject to be submitted to the commission at its eighteenth session;

6. Requests the Secretary-General to establish a fund, financed by voluntary contributions from transnational corporations to provide financial resources for, inter alia, environmental projects in the developing countries;

7. Recognizes the need for the United Nations Centre on Transnational Corporations to diversify its funding modalities and research activities, and to this end, requests the Secretary-General to mobilize resources from various sources, including Governments and non-governmental organizations, and to inform the Commission at its eighteenth session;

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8. Takes note with appreciation of the reports of the Secretary-General

on transnational corporations and issues relating to the environment 7/ and requests the Secretary General to transmit them to the Secretary-General of the United Nations Conference for Environment and Development together with the views expressed by the members of the Commission at its seventeenth session with a view to making them available for consideration by the Preparatory Committee for the Conference at its third session;

9. Recommends that starting at its third session the Preparatory Committee for the Conference should consider, inter alia, the following issues:

(a) Specific responsibilities of transnational corporations for sustainable development management during the 1990s and beyond, encompassing the following features:

(i) An increase in the level of commitment of transnational corporations to environmental protection in all countries;

(ii) The positive role that transnational corporations can play in the protection of the environment through an increase of investment in and generation of environmentally benign technologies, processes and products;

(iii) Compliance by transnational corporations with internationally agreed environmental conventions, standards and guidelines;

(iv) a. Expansion of research and development by transnational corporations and their affiliates on environmentally sound technologies;

b. Assured access by affiliates to environmentally sound technologies and information thereon without supplemental internal charges;

c. Access by host country firms to environmentally sound technologies used by the affiliates of transnational corporations in developing countries;

(v) Maintenance by transnational corporations and their affiliates of consistent environmental, health and safety standards for products, processes and services, in order to ensure equivalent levels of safety for all workers, communities and consumers;

(b) Submission by transnational corporations, as a component of the international review of environmental issues since the Stockholm Conference, of reports on the state of the environment and development, based on the activities of their firms and/or their trade associations;

7/ E/C.10/1991/3 and Add.1.

(c) Rigorous implementation of the "polluter pays" principle for transnational corporations and their affiliates, containing at a minimum the following obligations;

(i) Prevention of any potential environmental damage that could arise from their activities, the cost of such prevention to be regarded as normal business cost;

(ii) Liability of the enterprise concerned to repair the damage wherever it occurs, including its ensuing negative after-effects;

(iii) Payment of appropriate compensation by the enterprise where such damage is not repaired to the full satisfaction of the affected country or countries;

(d) Acceptance of full liability by transnational corporations for any damage to life and property resulting from its activities or that of its affiliates and prompt payment of full and adequate compensation where such damage occurs;

(e) Establishment of internationally agreed standards and instruments aimed at the development of environmental management policies and programmes by transnational corporations, and at ensuring that the degree of safety of new installations employing transferred technology should not represent an additional burden for the economies of the developing countries nor constitute new barriers for access to and transfer of technology and, in all cases, should take into account the special needs of these countries;

10. Requests the Executive Director of the United Nations Centre on Transnational Corporations to transmit the findings of the research project on "Transfer of environmentally sound technologies to developing countries on favourable terms" and the prototype financial statements that would enable corporations to report their income and profits on a sustainable basis to the Secretary-General of the United Nations Conference on Environment and Development before the third session of the Preparatory Committee of the Conference;

11. Requests the Secretary-General to transmit part B of the present resolution to the Secretary-General of the Conference before the third session of the Preparatory Committee, as the substantive contribution of the Commission to the work of the Preparatory Committee.